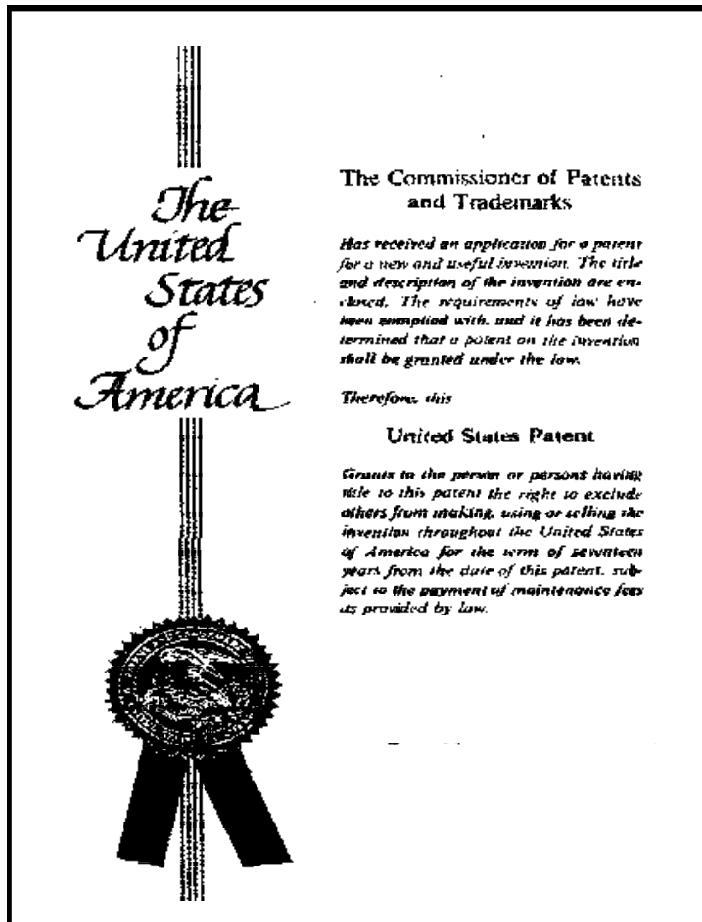
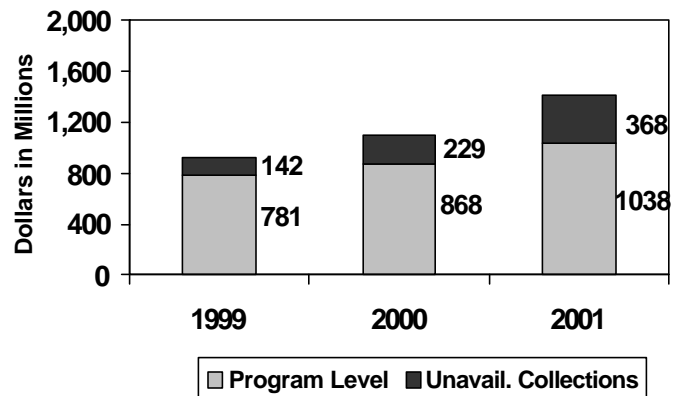


PATENT AND TRADEMARK OFFICE

The Patent and Trademark Office (PTO) is charged with administering the patent and trademark laws of the United States. PTO examines patent applications, grants patent protection to qualified inventions and disseminates technological information disclosed in patents. PTO also examines trademark applications and provides Federal registration to owners of qualified trademarks.

The PTO will spend \$1,039 million in FY 2001 (which includes \$20 million to be transferred to the Office of Personnel Management for PTO post-retirement benefits) to increase the quality of patent and trademark products and services, keep pace

PTO Funding



with rapid workload growth, promote electronic commerce activities, and implement recently enacted patent reform legislation. Offsetting collections will total \$1,152 million in FY 2001 from fees charged pursuant to 15 U.S.C. 1113 and 35 U.S.C. 41 and 376.

PTO Performance Measures

PTO supports the Department's strategic goals of promoting economic growth and stimulating innovation for competitiveness. Performance indicators focus on measuring outputs that will guide the agency toward meeting the goals listed above. Performance measures will continue to evolve over time, as PTO and its programs, the Department of Commerce, and the Federal Government as a whole, continue to refine and enhance their capacities to develop performance measures, to use performance measurement as a key management tool, and implement the GPRA. A more detailed presentation of goals, objectives, and performance measures is found in the Department's Annual Performance Plan and PTO's budget justification.

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

Funding Levels

	<u>1999</u>	<u>2000</u>	2001 <u>Estimate</u>	<u>Change</u>
From New Offsetting Collections	\$745,026	\$755,000	\$783,843	\$28,843
From Prior Year Offsetting Collections	108,316	116,000	229,000	113,000
From Prior Year-1 Offsetting Collections			25,889	25,889
Rescission	(72,049)	(2,980)		2,980
Fee Collections	(886,915)	(984,000)	(1,151,587)	(167,587)
1999 Fee Collections Not Available Until FY 2000	116,000			
1999 Fee Collections Not Available Until FY 2001	25,889			
2000 Fee Collections Not Available Until FY 2001		229,000		(229,000)
2001 Fee Collections Not Available Until FY 2002			367,744	367,744
TOTAL APPROPRIATION	36,267	113,020	254,889	141,869
Unavailable Offsetting Collections due to limitation in current year and becoming available in following year(s)	(141,889)	(229,000)	(367,744)	(138,744)
TOTAL BUDGET AUTHORITY	(105,622)	(115,980)	(112,855)	3,125
PERMANENT POSITIONS	6,066	7,289	7,684	395

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
2000 Enacted				
Fee collections in 2000			7,289	\$987,000
Unavailable offsetting collections				(116,000)
Rescission				(2,980)
Funds Currently Available, 2000			7,289	868,020

Adjustments to Base

Adjustments

Full time permanent (FTP) Adjustment	(261)	
Transfer to GA Security from bureaus		(1,414)

Other Changes

2000 Pay raise	\$4,778	
2001 Pay raise	12,567	
Payment to the Working Capital Fund	94	
Full year cost of positions financed in FY 2000	3,958	
Within-grade step increases	5,026	
One less compensable day	(1,760)	
Civil Service Retirement System (CSRS)	(2,752)	
Federal Employees' Retirement System (FERS)	3,460	
Thrift Savings Plan	647	
Federal Insurance Contributions Act (FICA) -OASDI	2,154	
Health insurance	2,453	
Employees' Compensation Fund	11	
Travel	50	
Rent payments to GSA	1,243	
Printing and reproduction	1,606	
Other services:		
Working Capital Fund	149	
Executive Development and Leadership Training	165	
Commerce Administrative Management System (CAMS)	783	
NARA Storage and Maintenance	(103)	
General Pricing Level Adjustment:		
Transportation of things	7	
Rental payments to others	8	
Other Services	2,893	
Communications, Utilities and misc.	109	
Supplies	236	
Equipment	536	
Subtotal, other cost changes		0
		38,318

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
TOTAL, ADJUSTMENTS TO BASE			(261)	\$36,904
2001 Base			7,028	904,924
Program Changes			656	113,808
Indirect Cost Transfer to OPM			0	20,000
TOTAL REQUIREMENTS			7,684	1,038,732
Total Offsetting Fee Collections				(1,151,587)
Portion Not Available for Obligation (Limitation on Obligation)				367,744
2001 APPROPRIATION			7,684	254,889

Comparison by Activity

	2000 Currently Avail		2001 Base		2001 Estimate		Increase / Decrease	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Patents	5,808	\$694,142	5,549	\$712,452	6,141	\$808,880	592	\$96,428
Trademarks	1,102	110,232	1,100	113,834	1,151	124,278	51	10,444
Information Dissemination	276	57,853	276	59,198	276	62,881	0	3,683
Policy	103	18,832	103	19,440	116	22,693	13	3,253
Indirect Cost Transfer to OPM		0		0		20,000	0	20,000
TOTAL OBLIGATIONS	7,289	881,059	7,028	904,924	7,684	1,038,732	656	133,808

FINANCING

Fees	(984,000)	(1,151,587)
Prior year recoveries	(10,000)	0
Unobligated Balance, Start of Year	(3,039)	0
Offsetting Collections Not Available for		
Obligation	229,000	367,744
APPROPRIATION	7,289	254,889
Unavailable Offsetting Collections due		
to limitation in current year and		
becoming available in following year(s)	(229,000)	(367,744)
BUDGET AUTHORITY	7,289	(112,855)

Highlights of Program Changes

		<u>Base</u>		<u>Increase / Decrease</u>
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>

<u>Patent Process</u>	5,549	\$712,452	+592	+\$96,428
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An increase (+592 positions; +\$96,428) is requested for Patent Business activities. This program level will provide resources needed to enhance the quality of the examination process, increase our complement of high performing examiners, promote electronic commerce activities, and implement patent reform legislation.

<u>Trademark Process</u>	1,100	\$113,834	+51	+\$10,444
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An increase (+51 positions; +\$10,444) is requested for Trademark Business activities. This program level will provide resources needed to hire additional trademark examining attorneys, process additional trademark opposition and appeal cases, and expand the Trademark E-Office initiative.

<u>Information Dissemination and Technology</u>	276	\$59,198	0	+\$3,683
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Program changes (0 positions; +\$3,683) are requested for Information Dissemination Business activities. This program level will provide resources needed to provide additional patent data on the PTO Web Site.

<u>Policy</u>	103	\$19,440	+13	+\$3,253
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An increase (+13 positions; +\$3,253) is requested for Policy activities. This program level will provide resources needed to establish an agency-wide integrated quality management system.

<u>Offsetting Collections</u>		\$984,000		+\$167,587
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Fiscal year 2001 projected fee income totals \$1,152 million. This amount includes income associated with 12% annual growth in patent and trademark application filings, as well as income generated by the American Inventors Protection Act of 1999.

